(c) the steps being taken to improve the position?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Yes Sir. A globalization index published by A.T. Kearney and 'Foreign Policy' Magazine in 2007 has ranked India as the second least globalized country, while Bangladesh and Pakistan have been ranked above India.

The methodology used in this report does not fully capture the complexities of globalization and the ranking does not measure the overall competitiveness of the economies concerned.

National Savings Scheme

793. SHRI A. VIJAYARAGHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether there is any policy to strengthen the National Savings Scheme (NSS);

(b) if so, the details thereof inlcuding collections target, gross collections, withdrawal and net collection for last three years, year-wise and State-wise;

(c) the details of last hike in rate of interest and status of maturity bonus of monthly income scheme after year 2005, category-wise and year-wise;

(d) the details of scheme other than National Savings Scheme (NSS) assigned to National Savings agents of last three years; and

(e) the steps taken/proposed to be taken with details of strengthen National Savings Scheme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The National Savings Scheme, introduced with effect from 1st October, 1992, was discontinued with effect from 1st November, 2002. No deposits can be made under the scheme on or after 1st day of November, 2002.

(c) The rates of interest on various Small Savings Schemes were last revised with effect from 1.3.2003. No bonus is payable on deposits under the Post Office Monthly Income Account Scheme in accounts opened on or after 13.2.2006. However, deposits in accounts opened before 13.2.2006 continue to be eligible for bonus as hithertofore.

(d) Small Savings agents are authorised for all small savings schemes except Post Office Savings Bank Account.

(e) The small savings schemes, carrying different terms and rate of interest administered by the Government of India are designed to provide safe and attractive investment option to all individuals who invest in these savings schemes. Central and State Governments take various measures from time to time to promote and popularize small savings schemes through print and electronic media, provide training and facilitate the various agencies involved in mobilizing deposits under these schemes. Meetings are held on a regional basis to facilitate interface with the public through wider dissemination of information on small savings. A website of the National Savings Institute has also been set up which gives details of all small savings schemes and facilitates settlement of investor's grievances. The website address is *nsiindia.gov.in*

Accredited loan providers

794. SHRIMATI BRINDA KARAT: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal to allow public sector banks to outsource their deposit taking and credit delivery functions through "Accredited Loan Providers" (ALP) in rural areas;

(b) if so, the details thereof;

(c) whether through such scheme Government is trying to legalize money lending in rural areas; and

(d) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Internal Group set up by the Reserve Bank of India submitted its report and the major recommendations contained in the report included the following:-

- Linkages between banks and external entities may be established under two broad models; (i) Business Facilitator (BF) Model wherein banks Management may use civil society organisations (CSOs) and others for undertaking non-financial service and (ii) Business Correspondent (BC) Model wherein institutional agents/other external entities could support the banks for extending financial services.

Based on the recommendations, and with the objective of ensuring greater financial inclusion and increasing the outreach of the banking sector, banks have been permitted, to use the services of Non-Government Organizations (NGOs)/Self Help Groups (SHGs), MFIs and other civil society organisations as intermidediaries in providing financial and banking services through the use of BF and BC models.

Further, Reserve Bank of India had set up a Technical Group to review the efficacy of the existing legislative framework that governs money lending as also the enforcement machinery in different States and make recommendations for its improvement. The model legislation proposed by the Technical Group, *inter-alia*, provides for the following:

- a simple and hassle free procedure for compulsory registration and periodical renewal of their registration by money lenders;
- a simplified dispute resolution mechanism to ensure better enforcement;
- adoption of the rule of 'Damdupat' restricting the maximum amount of interest chargeable by the money lender.

The group has also recommended establishment of a link between the formal and informal credit providers, whereby a money lender can be made an 'Accredited Loan Provider' (with safeguard measures) to serve as an additional credit delivery channel for the formal sector.

The report of the Group has been submitted and is placed on the website of RBI for comments of the stakeholders. The process of consultation is to take some time as the report has been sent to all the State Governments also for their comments. In the circumstances to time frame for its implementation can be specified.

(c) No, Sir.

(d) Does not arise.

Credit extended to agriculture sector by Cooperative Banks

795. SHRI ABU ASIM AZMI: Will the Minister of FINANCE be pleased to state:

(a) whether the shares of the Cooperative Banks in providing credit to agriculture and allied sector has declined continuously;

(b) if so, the details thereof and the reasons therefor;